



# Arizona House of Representatives House Majority Research MEMORANDUM

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**To: Representative Rivero**

**Re: HB 2676: tax credit; title 1 schools**

**Date:** May 5, 2016

**CONCUR-REFUSE BLUE SHEET # 24**

HB 2676 passed the Senate on May 5, 2016 21-8-1 and is listed on **Blue Sheet #24**. Please let me know if you intend to concur or refuse the Senate amendments.

**AS PASSED THE HOUSE**

HB 2676 establishes a tax credit for donations to Title I schools and establishes the Arizona Title I School Matching Grant Fund.

**SENATE AMENDMENTS**

The Senate adopted a strike-everything amendment to HB 2676 to does the following:

1. Exempts the gross proceeds of sales or gross income derived from the sale of electricity or natural gas to a qualified manufacturing or smelting business from utilities classification of TPT and use tax.
2. Requires a municipality to either tax or exempt in whole the gross proceeds of sales or gross income from sales by a utility to a qualified manufacturing or smelting business.
3. Requires a utility claiming a TPT or use tax exemption to report monthly, on a form provided by the Arizona Department of Revenue, the name and address of each qualified manufacturing or smelting business in which an exemption is taken.
4. Outlines the liability of a vendor that accepts a TPT exemption certificate in good faith.
5. Modifies definitions of *qualified manufacturing or smelting business* and *manufacturing*.
6. Contains an effective date of January 1, 2017, for the manufacturer's exemption.